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**BIWEEKLY REPORT**

**SINO-SOVIET BLOC  
ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS**

EIC-WGR 1/131

13 February 1961

PREPARED BY THE WORKING GROUP  
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events\*  
27 January - 9 February 1961

According to an announcement made by the Chairman of the Indian Atomic Energy Commission on 2 February, India plans to sign an agreement with the USSR covering the financing and building of nuclear power stations, the producing and mining of uranium, and the training of Indian scientists in the USSR.

Recent information indicates that the USSR has granted a discount of one-third on all military equipment to be transferred to Indonesia under the agreement of 6 January, a pact providing for credits totaling almost \$187 million. No down payment was required, and the interest rate was fixed at 2 percent. Repayment will begin in 1965 for the military items and in 1961 for the nonmilitary equipment.

Twelve Bloc technicians have arrived in Guinea, apparently to conduct a survey preliminary to the construction of the Konkoure dam and power projects.

The USSR reportedly has agreed in principle to provide credits for the construction of three small dams in northwest Tunisia and to help train Tunisian engineers.

By the end of 1960, about two-thirds of the \$3.6 billion in economic credits and grants extended by the Bloc to underdeveloped countries had been earmarked for specific projects. Although the Bloc is involved in the construction of a number of highly publicized showpiece projects, such as the Asian Games Stadium in Djakarta and a hotel in Rangoon, most of its foreign aid funds have been allocated for basic development projects.

\* An unclassified table summarizing Bloc credits and grants extended to underdeveloped countries as of 31 December 1960 is included in this issue on p. 5.

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Sino-Soviet Bloc Credits and Grants  
Extended to Underdeveloped Countries of the Free World a/\*  
1 January 1954 - 31 December 1960

Million US \$			
<u>Area and Country</u>	<u>Total</u>	<u>Economic <u>b/</u></u>	<u>Military <u>c/</u></u>
Total	<u>4,809</u>	<u>3,611</u>	<u>1,198</u>
<u>Latin America</u>	<u>322</u>	<u>322</u>	<u>0</u>
Argentina	104	104	0
Brazil	4	4	0
Cuba	215	215	?
<u>Middle East</u>	<u>1,972</u>	<u>1,286</u>	<u>686</u>
Afghanistan	255	217	38
Iran	6	6	0
Iraq	404	216	188
Pakistan	3	3	0
Turkey	17	17	0
UAR -- Egypt	919	604	315
UAR -- Syria	307	179	128
Yemen	61	44	17
<u>Africa</u>	<u>284</u>	<u>278</u>	<u>6</u>
Ethiopia	114	114	0
Ghana	50	50	0
Guinea	108	107	1
Morocco	4	0	4
Sudan	<u>d/</u>	0	<u>d/</u>
Tunisia	8	8	0

\* Footnotes for the table follow on p. 16.

Sino-Soviet Bloc Credits and Grants  
Extended to Underdeveloped Countries of the Free World a/  
1 January 1954 - 31 December 1960  
(Continued)

Million US \$			
<u>Area and Country</u>	<u>Total</u>	<u>Economic <u>b/</u></u>	<u>Military <u>c/</u></u>
<u>Asia</u>	<u>2,115</u>	<u>1,608</u>	<u>506</u>
Burma	12	12	0
Cambodia	55	55	0
Ceylon	58	58	0
India	933	933	0
Indonesia	1,016	509	506
Nepal	41	41	0
<u>Europe</u>	<u>116</u>	<u>116</u>	<u>0</u>
Iceland	5	5	0
Yugoslavia	111 <u>e/</u>	111	0

a. Because of rounding, figures may not add to totals.

b. Including about \$221 million in grant aid to Afghanistan, Cambodia, Ceylon, Ethiopia, Guinea, India, Indonesia, Nepal, Pakistan, the UAR (Egyptian sector), and Yemen.

c. Including about \$6 million in grant aid to Guinea, Morocco, and Sudan.

d. Less than \$1 million.

e. Not including about \$353 million in credits extended in 1956 and subsequently either canceled or allowed to expire.